



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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January 28, 2000

TO: Minerals File

FROM: Anthony A. Gallegos, Senior Reclamation Specialist *aa*

RE: Site Inspection, Summo USA Company - Lisbon Valley Mining Co. LLC, , Lisbon Valley Copper Project, M/037/088 (UTU-72499, ML-20569), San Juan County, Utah

Date of Inspection: January 20, 2000
Time of Inspection: 0900 - 1118
Conditions: cool, partly cloudy
Participants: Bob Prescott, Chuck Bauer, Pat Gochnour, Summo USA; Sal Venticinque, BLM; Will Stokes, SITLA; Tony Gallegos, DOGM

Purpose of Inspection: To examine recently reclaimed drilling disturbances in consideration of additional proposed drilling.

In general, the drilling disturbances created by Summo during 1999 were reclaimed during November of 1999. The first sites examined were drill sites 1999-A and 1999-B located on State managed land in section 36. Two holes were drilled from the A site, and site B was moved from the proposed site to a new location approximately 500 feet east of site A. The road and pad for site A had been ripped and seeded.

We next examined site 1999-H. The portion of access road from the main road up to the drill site has been ripped and seeded. The existing road above this reclaimed portion was left in its previous state. A photo of this site shows the reclaimed road portion below and the unaltered portion above.

From here we walked along the existing road to site 1999-E. Site E included an existing pad which has been ripped and seeded. The photograph of this site shows the ripped pad on the left with the inspection group on the right. A second photo shows the condition of the existing road with vegetation up the middle and marks from the tracked equipment on the sides.

We next examined site 1999-C which was located directly in the existing access road. The affected drill pad area has been ripped and seeded. From here we next examined site 1999-D. Site D included two drill holes from an existing pad area. The pad area has been ripped and seeded. From here

Page 2
Site Inspection
M/037/088
January 28, 2000

we were able to look south along a portion of the constructed access road leading to site D. This access road has been ripped and seeded.

We next examined the proposed drill site 2000-A. This is an example of a proposed site which will be accessed by overland travel without brush clearing. A photo of this site shows the existing vegetation with flagging at the proposed hole location. We then examined proposed drill site 2000-I which is an example of a proposed site which will include some brush clearing and blade work. The photo of this site shows the drill site marked with flagging with the proposed access route leading back towards the parked vehicle. We then examined proposed drill site 2000-F which will be accessed by overland tracking without blade work. This same trail route will also access proposed site 2000-B. Photographs of this area show an old existing trail and an old furnace.

We next examined the access road to site 1999-G. A photograph of the drill site shows the ripped road with Sal Venticinque of the BLM standing at the approximate location of the drill hole. From here we walked on the old existing road to drill site 1999-F. Some snow cover obscured the reclaimed road near the drill hole site on the north facing side of the hill. The portion of the constructed access road to the site was walked from site F to the southern end. This portion of the road has been ripped and seeded, and an earthen berm was in place to prevent vehicle access at the southern end.

All the 1999 drilling disturbances have been ripped and seeded. The earthwork performed at these sites is satisfactory to the Division. A period of up to three growing seasons will be required before these sites can be considered fully reclaimed and released. With documentation of this reclamation, the Division can proceed to release a portion of the reclamation bond assigned to the 1999 earthwork provided the appropriate land managing agencies are also in agreement with partial release. Summo has requested that any released bond money be reassigned to cover reclamation bonding for proposed drilling on state land for the year 2000. The Division will need to send a separate letter documenting such a release and reassignment.

jb
cc: Pat Gochnour, Gochnour & Associates
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Will Stokes, SITLA
Sal Venticinque, BLM Moab FO
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